

**ROWAN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
Instruction	\$ 19,429,875	\$ 3,822	\$ 3,384,029	\$ -	\$ (16,042,024)	\$ -	\$ (16,042,024)
Support services:							
Students	783,071	-	50,157	-	(732,914)	-	(732,914)
Instructional staff	848,458	-	276,091	-	(572,367)	-	(572,367)
District administration	805,799	-	400	-	(805,399)	-	(805,399)
School administration	1,190,597	-	12	-	(1,190,585)	-	(1,190,585)
Business and other support services	191,473	-	28,619	-	(162,854)	-	(162,854)
Operation and maintenance of plant	2,556,340	-	24,624	-	(2,531,716)	-	(2,531,716)
Student transportation	2,245,335	-	29,900	-	(2,215,435)	-	(2,215,435)
Community services	338,075	-	338,075	-	-	-	-
Debt service	652,689	-	-	1,668,399	1,015,710	-	1,015,710
Total governmental activities	29,041,712	3,822	4,131,907	1,668,399	(23,237,584)	-	(23,237,584)
Business-type activities:							
Food service	1,628,858	470,476	1,064,721	-	-	(93,661)	(93,661)
Day Care Fund	55,308	-	55,308	-	-	-	-
Community Ed Fund	1,029	655	-	-	-	(374)	(374)
Total business-type activities	1,685,195	471,131	1,120,029	-	-	(94,035)	(94,035)
Total primary government	\$ 30,726,907	\$ 474,953	\$ 5,251,936	\$ 1,668,399	\$ (23,237,584)	\$ (94,035)	\$ (23,331,619)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 4,608,424	\$ -	\$ 4,608,424
Motor vehicle					502,124	-	502,124
Utilities					1,689,310	-	1,689,310
Revenue in lieu of taxes					77,441	-	77,441
Intergovernmental revenues:							
State					17,067,473	-	17,067,473
Investment earnings					147,330	8,572	155,902
Gain on disposal of assets					17,067	-	17,067
Other local revenues					118,923	-	118,923
Total general revenues and transfers					24,228,092	8,572	24,236,664
Change in net assets					990,508	(85,463)	905,045
Net assets, June 30, 2007, as restated					11,888,368	405,103	12,293,471
Net assets, June 30, 2008					12,878,876	319,640	13,198,516

The accompanying notes to financial statements are an integral part of this statement.

**ROWAN COUNTY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Special Revenue Funds	FSPK Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes -					
Property	\$ 3,567,226	\$ -	\$ 1,041,198	\$ -	\$ 4,608,424
Motor vehicles	502,124	-	-	-	502,124
Utilities	1,689,310	-	-	-	1,689,310
Revenue in lieu of taxes	77,441	-	-	-	77,441
Interest income	137,506	-	-	9,824	147,330
Other local revenues	122,745	81,120	-	-	203,865
Intergovernmental - State	17,056,426	1,912,889	393,867	1,274,532	20,637,714
Intergovernmental - Indirect federal	-	2,137,898	-	-	2,137,898
Intergovernmental - Direct federal	11,047	-	-	-	11,047
Total revenues	<u>23,163,825</u>	<u>4,131,907</u>	<u>1,435,065</u>	<u>1,284,356</u>	<u>30,015,153</u>
Expenditures:					
Current:					
Instruction	15,173,031	3,434,029	-	-	18,607,060
Support services:					
Students	732,914	50,157	-	-	783,071
Instructional staff	571,288	276,091	-	-	847,379
District administration	711,560	400	-	-	711,960
School administration	1,189,971	12	-	-	1,189,983
Business and other support services	162,854	28,619	-	-	191,473
Operation and maintenance of plant	2,525,909	24,624	-	-	2,550,533
Student transportation	2,106,624	29,900	-	-	2,136,524
Community services	-	338,075	-	-	338,075
Facilities acquisition and construction	-	-	-	357,561	357,561
Debt service	52,494	-	-	1,657,818	1,710,312
Total expenditures	<u>23,226,645</u>	<u>4,181,907</u>	<u>-</u>	<u>2,015,379</u>	<u>29,423,931</u>
Excess (deficiency) of revenues over expenditures	<u>(62,820)</u>	<u>(50,000)</u>	<u>1,435,065</u>	<u>(731,023)</u>	<u>591,222</u>
Other financing sources (uses):					
Bond proceeds	-	-	-	2,030,000	2,030,000
Payment to refunded bond escrow agent	-	-	-	(2,030,000)	(2,030,000)
Sale of assets	17,782	-	-	-	17,782
Transfers in	-	50,000	-	865,859	915,859
Transfers out	(50,000)	-	(809,661)	(56,198)	(915,859)
Total other financing sources and uses	<u>(32,218)</u>	<u>50,000</u>	<u>(809,661)</u>	<u>809,661</u>	<u>17,782</u>
Net change in fund balances	(95,038)	-	625,404	78,638	609,004
Fund balances, June 30, 2007, as restated	<u>1,555,226</u>	<u>-</u>	<u>338,602</u>	<u>434,952</u>	<u>2,328,780</u>
Fund balances, June 30, 2008	<u>\$ 1,460,188</u>	<u>\$ -</u>	<u>\$ 964,006</u>	<u>\$ 513,590</u>	<u>\$ 2,937,784</u>

The accompanying notes to financial statements are an integral part of this statement.

**ROWAN COUNTY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Taxes -				
Property	\$ 3,165,000	\$ 3,165,000	\$ 3,567,226	\$ 402,226
Motor vehicles	375,000	375,000	502,124	127,124
Utilities	1,175,000	1,175,000	1,689,310	514,310
Revenue in lieu of taxes	40,000	40,000	77,441	37,441
Interest income	80,000	80,000	137,506	57,506
Other local revenues	36,500	36,500	122,745	86,245
Intergovernmental - State	12,842,724	12,968,967	12,967,933	(1,034)
Intergovernmental - Direct federal	12,000	12,000	11,047	(953)
Total revenues	<u>17,726,224</u>	<u>17,852,467</u>	<u>19,075,332</u>	<u>1,222,865</u>
Expenditures:				
Current:				
Instruction	11,536,346	11,534,734	11,740,356	(205,622)
Support services:				
Students	711,464	711,164	628,515	82,649
Instructional staff	456,653	460,866	571,288	(110,422)
District administration	623,374	630,748	677,113	(46,365)
School administration	1,018,715	1,074,087	1,035,906	38,181
Business and other support services	144,444	144,444	141,285	3,159
Operation and maintenance of plant	2,211,139	2,235,603	2,372,690	(137,087)
Student transportation	1,724,118	1,724,118	1,918,505	(194,387)
Facilities acquisition and construction	-	-	-	-
Debt service	45,000	45,000	52,494	(7,494)
Contingency	555,471	602,377	-	602,377
Total expenditures	<u>19,026,724</u>	<u>19,163,141</u>	<u>19,138,152</u>	<u>24,989</u>
Excess (deficiency) of revenues over expenditures	<u>(1,300,500)</u>	<u>(1,310,674)</u>	<u>(62,820)</u>	<u>1,247,854</u>
Other financing sources (uses):				
Sale of equipment	500	500	17,782	17,282
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources and uses	<u>(49,500)</u>	<u>(49,500)</u>	<u>(32,218)</u>	<u>17,282</u>
Net change in fund balances	<u>(1,350,000)</u>	<u>(1,360,174)</u>	<u>(95,038)</u>	<u>1,265,136</u>
Fund balances, June 30, 2007	<u>1,350,000</u>	<u>1,360,174</u>	<u>1,555,226</u>	<u>195,052</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,460,188</u>	<u>\$ 1,460,188</u>
Adjustments to Generally Accepted Accounting Principles -				
Intergovernmental State Revenue			4,088,493	
On-behalf payments:				
Instruction			(3,432,675)	
Support services:				
Students			(104,399)	
Instructional staff			-	
District administration			(34,447)	
School administration			(154,065)	
Business and other support services			(21,569)	
Operation and maintenance of plant			(153,219)	
Student transportation			(188,119)	
Fund balance, June 30, 2008 (GAAP basis)			<u>\$ 1,460,188</u>	

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in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation Fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance Fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **(11) COBRA**

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. It is managements' opinion that the District is in compliance with the COBRA requirements.

#### **(12) TRANSFER OF FUNDS**

The following transfers were made during the year:

<u>Type</u>	<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Operating	General	Special Revenue	Technology Match	\$ 50,000
Operating	Capital Outlay	Debt Service	Debt Service	56,198
Operating	Building	Debt Service	Debt Service	809,661

#### **(13) ON-BEHALF PAYMENTS**

For the year ended June 30, 2008, total payments of \$2,594,505 were made by the Commonwealth of Kentucky on behalf of the District for life insurance, health insurance, and KTRS matching and administrative fees, and vocational education. These payments were recognized as on-behalf payments and are recorded in the appropriate revenue and expense account on the Statement of Activities and the Government Funds Statement of Revenue, Expenditures and Changes in Fund Balance. The On-Behalf payments are not budgeted in the Statement of Revenues, Expenditures, and Changes in Fund balance - Budget and Actual.

On-behalf payments at June 30, 2008 consisted of the following:

Teacher Retirement	\$ 1,596,727
Health & Life Insurance	2,594,505